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September, 1997

Dear Consumer,

As Attorney General, I make it my job to ensure that Massachusetts consumers are well aware of the issues that affect them the most. At this point in time, among the many pressing issues facing consumers is tobacco – smoking alone kills approximately 10,450 Massachusetts residents every year. That's more than the deaths caused by alcohol and drug abuse, car accidents, homicide, AIDS, and suicide combined.

I am proud of the efforts by my office, along with thirty-nine other attorneys general, to reach the landmark settlement that is now before Congress and our President. The \$368.5 billion proposed agreement with Big Tobacco includes massive advertising restrictions (no more Marlboro Man or Joe Camel), funding for an annual multi-billion dollar tobacco control program, regulation of nicotine, and dozens of other key provisions.

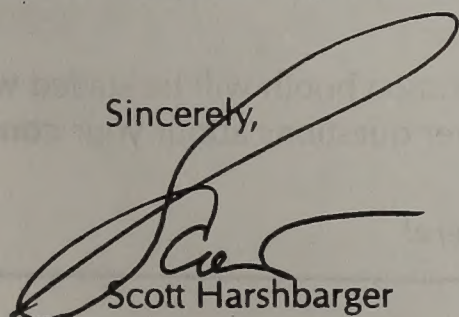
The agreement is by no means perfect. But it is a good, solid start. When we first began this fight, critics said that we didn't stand a chance against the tobacco industry. Now they say, we settled for too little. Personally, I feel that we did what no one else was willing to do – and accomplished what no one thought possible. And, now that we have reached a proposed settlement, I will not back down. I will continue to press our leaders in Washington to take this agreement and use their power to make it better.

Yet, tobacco is not the only big news for consumers. Over the summer, my office took unprecedented steps to use the state's consumer protection laws to make handguns safer for legitimate owners. The new regulations will eliminate the manufacture of "junk" guns in Massachusetts, reduce the number of gun-related accidents, and make stolen weapons easier to trace.

In addition, my office has put forth a plan to make the Commonwealth's electric utilities more competitive. The result for consumers? Approximately 1.8 million residents could see a 10% savings on their utility bills.

The pages within are filled with many other exciting initiatives, tips, and consumer cases. I hope you find AGenda: Consumer Issues informative and interesting - and I hope you will take advantage of our services here if you have a consumer question or complaint, by calling our office at (617) 727-8400.

Sincerely,



Scott Harshbarger



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AGenda:**Consumer Issues**

*An Informational Newsletter from
Attorney General Harshbarger*

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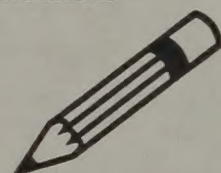
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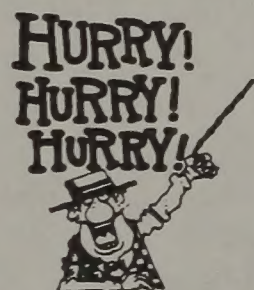
**AG Calls for Passage of ATM Safety Bill**

Attorney General Scott Harshbarger called for improved safety standards at automated teller machines as part of his support for a proposed bill that requires better lighting and security measures at bank machines. Assistant Attorney General David Breen testified both on Harshbarger's behalf and as a victim of a shooting in an ATM booth in 1991. Urging the passage of the ATM Safety bill (sponsored by Senator William Keating, D-Sharon), Breen stressed the need for minimum safety standards in all ATM machine kiosks, including adequate lighting, working surveillance cameras, reflective mirrors, and panic buttons.

In 1991, Breen was an Assistant District Attorney in Manhattan. While at a local ATM booth, he was approached by two men as he made a withdrawal. Shot in the back by one man, he struggled to stay alive for eight hours. Only the shooter was caught.

After the shooting, Breen told authorities that the identities of his assailants could be found on the security videotapes in the ATM machines. However, the cameras were not working that night. Harshbarger, in his testimony, pointed out that the security and lighting measures are relatively low cost items.

One aspect of the ATM bill would insure that access to ATM kiosks by any magnetic strip cardholder would be prevented. Only active ATM cards could be used to access an ATM kiosk. In addition, ATM areas would be kept well lit and would provide small mirrors on the machines so customers could see people behind them. Breen testified that had the ATM kiosk in which he was shot had sufficient lighting, as well as reflective mirrors, he might have seen the robbers behind him. Assistant Attorney General Breen is a prosecutor in Harshbarger's Unemployment Fraud Division.



September 12-28

Free Consumer Information at the Big E

Visit the Attorney General's Consumer Information Booth

If you are planning on going to the **Eastern States Exposition** (better known to most as the Big E!), please stop by the **Attorney General's Consumer Education Booth**. On hand will be copies of many of the A.G.'s publications regarding consumer and fair labor issues as well as an interactive computer system that will allow Big E patrons to check on consumer complaint histories for the Commonwealth's businesses.

Located in the Massachusetts building, the Consumer Education booth will be staffed with individuals from the Attorney General's office who can help answer questions about your consumer or fair labor rights.

Hope to see you there!

Harshbarger Uses State Consumer Protection Laws for Handgun Safety

In June, Attorney General Scott Harshbarger unveiled the first state consumer protection regulations in the nation designed to promote handgun safety.

The new regulations effectively ban the sale of so-called "Saturday Night Specials" in Massachusetts and require all handguns sold in the state to include:

- ⊙ child-proofing features;
- ⊙ tamper-proof serial numbers; and
- ⊙ consumer safety warnings.

The regulations, which will be phased in beginning October 1, 1997, take full effect on June 1, 1998.

Under the regulations, all handguns sold in this state would be required to meet a minimum quality standard by passing a materials test featuring specific scientific standards for melting point, tensile strength and metal density, and a drop test measuring the potential for accidental discharge. Approximately 30 common types of handguns, most of them .22 or .25-caliber weapons, would likely be barred from sale in the Commonwealth for failing to win certification under these tests.

Harshbarger, who has consistently supported tough handgun legislation in Massachusetts, including a state gun-free school zone law, stronger gun permit and FID card laws and a "juvenile" Bartley-Fox law, noted, "One year from now, dangerous junk guns will be off the retail market in Massachusetts; every new handgun sold here will be safer; every new handgun buyer will understand the ramifications of their purchase; and stolen handguns will be easier to trace."

The Attorney General has also filed a Gun Permit Reform Bill, and sponsored a state assault weapons ban expanding the list of weapons prohibited under the federal assault weapons ban, among other legislation.

Joining Attorney General Harshbarger at the news conference to endorse the new regulations were victims of handgun violence, family members of victims, medical experts, law enforcement professionals and gun policy experts.

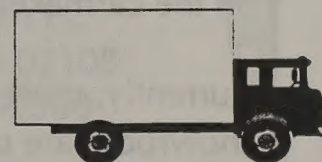
AG Sues U-Haul International

In response to numerous complaints from consumers that U-Haul routinely failed to honor guaranteed reservations (costing \$40 to \$120), Attorney General Harshbarger's office has sued U-Haul International and its Massachusetts affiliate.

The complaint alleges the company's failure to honor reservations and also alleges that the company often rents unsafe vehicles, dubbed "trash cans" by U-Haul employees. The complaint further alleges that U-Haul imposes excessive late-payment fees to customers who rent storage for their belongings. The final allegation in the complaint is that U-Haul was too quick to sell off the property of customers who had missed payments. According to one complaint, a customer was given three days to make payments before the company sold her belongings.

The president of U-Haul Co. of Massachusetts states that changes have been implemented to make sure these problems will not happen again.

A spokeswoman for the Phoenix-based headquarters said the problems were related to "routine customer service issues." U-Haul has 182 company-owned and independent outlets in Massachusetts alone. A fine of \$5,000 for each violation of the Consumer Protection Act can be imposed upon the company if it is found to have violated the state's consumer laws.



Consumer Complaint And Information Section Update

Attorney General Harshbarger's Consumer Complaint and Information Section (CCIS) had a very productive 1996. For the year, CCIS closed over 2,500 cases and recovered more than \$500,000 in refunds or other value for consumers. To date, for calendar year 1997, CCIS has recovered \$298,328 in refunds or other value for consumers and closed 1,324 complaints.

CCIS has successfully settled or mediated claims with countless retailers, car dealers, contractors, dry cleaners and other professional sales or service providers.

If you have a complaint against a retailer or manufacturer or would like information before you purchase a product or service, please call the Consumer Complaint and Information Hotline at:

(617) 727-8400

or write to:

Consumer Complaint and Information Section
Office of the Attorney General
200 Portland Street
Boston, MA 02114

You can also call your Better Business Bureau to check on the complaint history of a business or charity. In Boston, dial (617) 426-9000, Springfield (413) 734-3114, or Worcester (508) 755-2548.

Lemon Aid Law Extends to Leased Vehicles



For the first time ever, leased vehicles are now covered by the state Lemon Law. This change became effective July 1, 1997 and now gives owners of leased vehicles the same access to arbitration.

The Lemon Law covers any new car, truck, van, or motorcycle sold or leased for personal use in Massachusetts and applies to any serious defects that affect the use of the car, its safety or market value. Under the Lemon Law the dealer is allowed three repair attempts or 15 business days to repair the same defect. After that, the consumer must give the dealer a final chance to fix the problem. The customer, after the final chance, is entitled to a refund or replacement, or may request arbitration that is binding on the carmakers.

Currently, more than one-third of cars and trucks leaving the showroom are under lease.

Oriental Rug Shopping?

A.G.'s Tips for buying:

1. Get to know the dealer

Ask friends for recommendations or call the Oriental Rug Dealers Association of Massachusetts at 1-800-266-6330 for a list of local dealers. You can also call the Better Business Bureau or the A.G.'s Consumer Hotline (617/727-8400) to see if there are any complaints against the dealer.

2. Shop and compare by quality and price

Most reputable dealers will allow you to take the rug home "on approval" without obligation or pressure.

3. Ask about proper care for your rug

Dealers committed to long-term satisfaction typically maintain an in-house cleaning facility or can refer you to a reputable cleaner.

Warnings:

- Beware of high pressure sales pitches
- Don't equate legitimacy with big dollar advertising
- Remember that any guarantee is only as good as the store that offers it - when the store is gone, so is your guarantee.

For a free copy of "Know Your Consumer Rights When Buying an Oriental Rug," call or write:

Publications
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Attorney General
One Ashburton Place,
20th Fl.
Boston, MA 02108
(617) 727-2200



Sears Settles on Bankruptcy Law Violations

Sears, Roebuck & Co. has reached a settlement with Attorney General Scott Harshbarger's office to resolve nationwide charges of bankruptcy law violations. The case first came to light in Massachusetts when a Somerville man asked to have his 1996 bankruptcy case reopened. Having trouble making his monthly Sears' credit card payments, the man was informed by the retailer that his television set and car battery would be repossessed if he did not continue payments on his credit card debt.

The case against Sears was brought by Attorney General Harshbarger on behalf of 39 attorneys general across the country. An investigation by the A.G.'s office confirmed that Sears pressured consumers to make payments on debts even after the debtor was in bankruptcy and obtained payments without the knowledge of the Bankruptcy Court. Furthermore, Sears had, in thousands of cases, illegally obtained "reaffirmation agreements" from its customers who had become bankrupt. A reaffirmation agreement states that a chapter 7 debtor agrees to pay a particular debt even though the debt would otherwise be forgiven in bankruptcy. Such an agreement can be valid during bankruptcy, but only if it is voluntary and is filed with the bankruptcy court prior to the close of the bankruptcy and is reviewed by the court.

All agreements to settle debt with consumers who have filed bankruptcy under Chapter 7 must be filed with the court as required by federal law. In the case of the Somerville man the court found that Sears had not filed any such agreement. Later, Sears revealed that it had actually failed to file the required agreements in approximately 2,732 Massachusetts cases.

Sears is required to forgive all consumer debts improperly obtained by them through their reaffirmation agreements, repay at least \$125 million in compensation to affected customers (including interest), pay \$35 million to the states, as well as \$5 million to benefit consumer education, and change certain collection practices. Sears reported their problem to the Attorney General in April 1997.

Sears has agreed to repay all money paid by customers who had signed a reaffirmation agreement. Sears has identified more than 80,000 customers nationwide who had signed agreements between July 1994 and April 1997. The settlement requires Sears to continue to identify and pay every affected customer since January 1992.

Sears is expected to pay \$100 million in reimbursement payments. Should Sears refund less than that amount, the remainder will go to a consumer education fund for the states.

Traveling? Tips for Purchasing Travel Services

- ➔ Avoid buying services from unknown, out-of-state operators – they may be difficult to reach if problems arise.
- ➔ Talk to your local seller of travel services, and be very clear about the features you seek in a trip.
- ➔ Ask your seller if he or she is familiar with the provider of travel services in question. Has he or she gone on this trip, stayed in this hotel, or know of people who have? Did they have good luck with a particular tour operator?
- ➔ Always pay for travel services with a credit card. If trouble arises, you minimize your risk of losing money on the deal.
- ➔ Don't be swept away by appealing photos on a brochure. Listen to or read carefully the specific information given to you.

These tips and more are provided in the Attorney General's *Guide to Purchasing Travel Services*. For a free copy, call or write:

Publications
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Attorney General's
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One Ashburton
Place, 20th Fl.
Boston, MA 02108
(617) 727-2200



AG's Home Health Care Task Force

Attorney General Harshbarger has formed a home health care task force to act as a watch dog for this fast growing segment of the health care industry.

The forty member task force, which is made up of representatives of consumer advocacy groups and the home health care industry as well as government officials and home care clients, will analyze ways to standardize both the regulations and laws that govern home health agencies and their business practices.

The Attorney General noted upon announcement of the task force, "Given the increase in demand for home care, the challenge of the next decade will be to make sure that all home bound patients receive the level of care they deserve to enable them to remain in their homes with dignity." One of the top priorities for the task force has been to work to pass a new law that mandates CORI checks for home care workers. Additionally, Attorney General Harshbarger and the task force have actively pursued new legislation on Beacon Hill that would establish a registry of home health-care workers who have violated client trust through prior theft, neglect or abuse.



Harshbarger Gets \$295,000 Grant for National Hospital Conversion Training

Attorney General Scott Harshbarger's office received in June a \$295,000 grant from the W.K. Kellogg Foundation to develop and conduct a national training program for regulators, policymakers, hospital trustees, advocates and communities dealing with for-profit conversions of non-profit hospitals and other health care entities.

The grant will fund the Healthcare Conversion Information Project, which will create and distribute national training materials and conduct a training conference for regulators from across the United States.

"The for-profit acquisition of non-profit health care providers can have an enormous impact on a community's access to affordable, quality health care," stated Harshbarger, "and we want to ensure that all those involved with a potential conversion know what to expect and how to effectively respond."

Harshbarger's Division of Public Charities will oversee the project, in conjunction with the National Association of Attorneys General and the National Association of State Charity Officials. The Healthcare Conversion Information Access Project will operate in cooperation with the Community Health Assets Project, which is also funded by the Kellogg Foundation.

The Community Health Assets Project will offer legal analysis, community outreach, public education and other direct technical assistance to communities affected by potential conversions.

The Attorney General's Division of Public Charities has oversight and enforcement responsibility for non-profit charitable organizations, including non-profit hospitals and HMOs. In addition, the office investigates proposed for-profit acquisitions of non-profit health care providers' assets to ensure that such transactions are in the public interest, properly valued, conflict-free, and necessary.

In 1996, Harshbarger's office developed and hosted an initial training on for-profit health care conversions that was attended by 50 regulators representing attorneys general from 30 states.

The W.K. Kellogg Foundation, of Battle Creek, Michigan, was established in 1930 to "help people help themselves through the practical application of knowledge and resources to improve their quality of life and that of future generations."

AG Releases Report on HMOs; Proposes Increased State Oversight

Earlier this year, Attorney General Scott Harshbarger released *"The Attorney General's Report on Managed Care: Protecting Managed Health Care Consumers."* The report, which is the product of a year-long examination of the effects of managed care on the health care services provided to Massachusetts consumers, puts forth many proposals geared toward protecting the rights of consumers of the managed care industry.

In addition to a growing number of consumer complaints regarding cost, quality, or access to care, the Attorney General's office pointed to concerns over unprecedented competitive changes in the market as the basis for his report.

While the majority of the Commonwealth's consumers receive their health care in a managed care setting, the managed care industry continues to operate with minimal state oversight. To resolve this matter, the Attorney General has recommended the creation of a state office to oversee regulations he proposes be placed on the managed care industry. Recommended regulations, which are detailed in the report include:

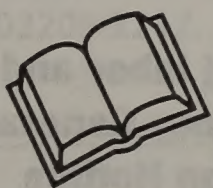
- ☐ The passage of a law that would prohibit denial of coverage for emergency room services when patients reasonably believe they face an emergency;
- ☐ The passage of a law that requires that only medically qualified doctors and nurses be allowed to deny coverage;
- ☐ Preventing HMOs from restricting the types of care doctors can discuss with their patients;
- ☐ Allowing the Division of Insurance to decide whether to license HMOs based on the adequacy of their physician networks; and
- ☐ Requiring disclosure of any financial incentives to doctors to deny care to keep costs down.

For a copy of *"The Attorney General's Report on Managed Care,"* please call the office's Public Protection Bureau at (617) 727-2200.

**This publication is available in alternative
formats for persons with disabilities.**

**To request your copy please call
(617) 727-2200**

or write:



**Publications Coordinator,
Attorney General's Office**

One Ashburton Place, Boston, MA 02108

New Home Health Care Regulations Protect Consumers with Use of Criminal Record Checks

Recent amendments to Chapter 6 of the Massachusetts General Laws will make Criminal Offender Record Information (CORI) checks mandatory for people who work with elderly and disabled persons.

The new law establishing mandatory checks will provide employers, volunteer organizations and placement agencies with as much information as possible about prospective employees, volunteers or referrals, and will help to ensure the safety and welfare of home health care clients.

To obtain a CORI check, an individual or organization must be authorized by law to receive the information and certified by the Criminal History Systems Board (CHSB), which maintains CORI. If you are required by M.G.L. c. 6, § 172C to check CORI, you are authorized by law to access CORI. However, you must still apply to the CHSB for certification. A \$10.00 fee is required for each record check.

For more information, or to obtain the Attorney General's *Advisory on Criminal Offender Record Checks*, please call the Attorney General's Public Protection Bureau at (617) 727-2200.

Harshbarger Unveils Statewide Hotline for Older Americans

The Attorney General's office has a statewide toll-free, elder hotline providing comprehensive consumer information and referrals on all types of elder health and insurance issues. Consumers are encouraged to call the number for information on numerous topics relevant to older Americans, including health care, home care, long-term care, Medicare, Medex, Medigap insurance, telemarketing fraud, home improvement scams, elder abuse and guardianship.

A 20-member Elder Hotline Advisory Committee composed of representatives of state agencies and private organizations that assist individuals on a broad range of elder issues will provide oversight for the Hotline service.

The elder hotline is available by dialing 1-888-AG-ELDER (1-888-243-5337) (TTY # 617-727-0434). Staffed by elder volunteers, the hotline operates Monday through Friday from 10 a.m. to 5 p.m. The Hotline provides a valuable statewide service to Massachusetts seniors, their families and others seeking information about elder-related issues and programs throughout the Commonwealth.

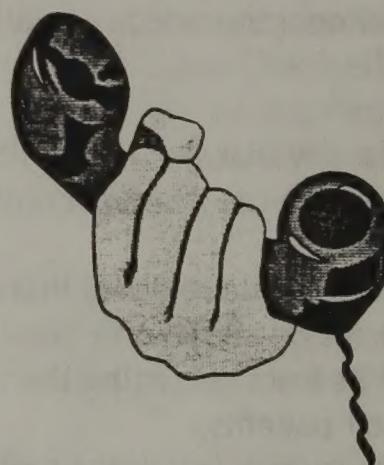
"Information is the ultimate key to prevention," Harshbarger noted at the Hotline's unveiling last June. "That's what the elder hotline is all about: providing valuable information as a weapon and tool that will combat crime, help prevent victimization and improve the day-to-day quality of life of our

senior citizens and their loved ones."

Under the supervision of staff from Harshbarger's Public Protection Bureau, the elder hotline is staffed by trained volunteers recruited from the state's elder community, with assistance from local Councils on Aging, the Massachusetts Chapter of the American Association of Retired Persons (AARP), the Older Women's League, the Massachusetts Association of Older Americans and other community based elder organizations.

The members of Harshbarger's Elder Hotline Advisory Committee are the Alzheimer's Association, AARP, Boston University Gerontology Center, Combined Jewish

Philanthropies, Executive Office of Elder Affairs, Greater Boston Legal Services, Home & Health Association of Massachusetts, Jewish Community Relations Council, Jewish Family & Children's Service, Mass Home Care, Massachusetts Association of Older Americans, Massachusetts Council for Home Care Aide Services, Massachusetts Department of Public Health, Massachusetts Division of Insurance, Massachusetts Extended Care Federation, Massachusetts Senior Action Council, Newton Jewish Community Center, UMASS Gerontology Institute, United Way and the Women's Educational & Industrial Union.



Attorney General Scott Harshbarger's Elder Hotline

1-888-AG-ELDER

TTY#: (617) 727-0434

**Massachusetts residents with consumer problems
may also call the Attorney General's Consumer
Complaint Hotline
(617) 727-8400**

**Residents with questions regarding labor and
business practices may call the Attorney General's
Fair Labor and Business Protection Hotline
(617) 727-3465 or (413) 784-1128**

AGO Advisory for Businesses Avoiding the Nigerian Letter Scam

Massachusetts businesses and organizations continue to be inundated by various versions of a false and dangerous letter that purports to come from a "prince" or "entrepreneur" or "consultant" from Nigeria. The letter informs the recipient of a business opportunity, or of money to be collected from a source in Nigeria. The letter seeks the investment of large sums of money, or urges the recipient to follow up on the claim of available cash by contacting the writer.

"The letter, in all its various forms, is utterly false," warns Attorney General Harshbarger. "Under no circumstances should any Massachusetts citizen respond to it or follow its instructions. My office has been monitoring this situation for some time, and has notified federal authorities that the scheme shows no sign of abating."

Massachusetts citizens who receive such a letter should forward it to the U.S. Postal Inspector's Office: Inspector in Charge, U.S. Postal Service, P.O. Box 2217, Boston, MA 02205-2217.

AG Harshbarger and 24 Other AGs Settle with CIBA Vision for \$5 Million

CIBA Vision, Inc., a major manufacturer of contact lenses, has agreed to pay \$5,000,000 as part of a 25-state settlement in a lawsuit alleging that the company, along with several other lens makers, was involved in a series of antitrust dealings.

In the complaint, Harshbarger, 24 other states' attorneys general, and private counsel representing plaintiffs in related national class action lawsuits alleged that CIBA Vision, along with Vistakon, Bausch & Lomb, the American Optometric Association and other defendants conspired not to sell replacement contact lenses directly to retailers such as pharmacies, mail-order companies, and other alternative outlets. The alleged action has the effect of artificially raising the prices for lenses sold to consumers.

In order to settle the claims, CIBA Vision, without admitting wrongdoing, has agreed to pay consumers of CIBA Vision, Vistakon, and Bausch & Lomb a cash rebate of \$35 following the purchase of four multi-packs of certain CIBA lenses. In addition, consumers will receive free coupons for other lens care products, giving consumers up to \$43 in rebates and products.

CIBA will also pay \$5 million to a settlement fund which will be distributed as the U.S. District Court instructs. Consumers who qualify will be able to make their claims by calling a toll-free number or by logging onto the Internet. CIBA Vision has now changed its distribution policy so that consumers can get lenses through pharmacies, mail-order and other ways. This new policy must stay in place for five years, according to the settlement agreement. As of yet, other manufacturers have not changed their policies.

The settlement filed does not end the lawsuits pending against Vistakon (a Johnson & Johnson company) and Bausch & Lomb, eight optometric association and 11 optometrists. Other states involved in the settlement include California, Illinois, Maryland, Minnesota, Missouri, New Jersey, New York, Ohio, Oregon, Pennsylvania, West Virginia, Wisconsin, Arizona, Arkansas, Connecticut, Delaware, Idaho, Louisiana, Michigan, North Dakota, Virginia, Iowa, Nevada and Alabama.

**Check on the complaint history
for a Massachusetts business
before you do business with that company.**

**Call the Attorney General Harshbarger's
Consumer Complaint and Information Section:
(617) 727-8400**

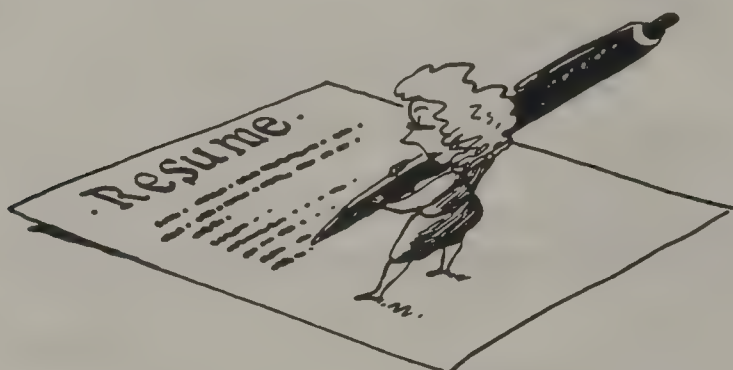
AG Stops Employment Firm that Allegedly Bilked Job Hunters

The Attorney General obtained an injunction against 1st Network, Inc., a Cambridge employment firm, and its owner that bars them both from placing misleading or deceptive "help wanted" ads in local newspapers.

In a complaint filed against 1st Network, the Attorney General's office claimed the company and its principal allegedly placed false and deceptive advertisements in local newspapers claiming that it had hundreds of job openings available, including specific positions paying high hourly wages. Their ads implied that applicants could begin work that day and that the high salaries quoted were available to applicants with little or no experience.

When consumers called 1st Network to apply for the jobs they were told positions were still available, but that details and referrals would be provided only after payment of a \$110.00 subscription fee to the company. However, after paying the fee, consumers – many of whom were recent immigrants – discovered 1st Network did not have the advertised jobs or services and refused to refund their money. Moreover, many consumers complained that when they persisted in demanding their refund, they were yelled at, insulted, and otherwise verbally abused by the company's staff members.

The injunction further enjoins 1st Network from making misrepresentations regarding the availability of wages or the nature of employment opportunities advertised; making misrepresentations regarding the company's relationship to employment opportunities; failing to disclose to consumers that the company cannot guarantee job interviews or placements; soliciting and accepting payments from consumers for services and then failing to provide them; and from engaging in oppressive or unconscionable acts and practices toward consumers, including verbal or physical abuse, false accusations of wrong doing and threats of arrest or other legal action against consumers who request promised services or refunds.



AOL Reaches Agreement with AGs, Offers Refunds

Earlier this year, Attorney General Scott Harshbarger, along with attorneys general in 36 other states, reached an agreement with America Online (AOL) requiring the online service to provide consumer refunds and cease advertising until service accessibility improves. Negotiations between the attorneys general and AOL were a response to consumer complaints that accessibility to the online service had been limited since December 1, 1996.

On that date, the online service began offering its members a \$19.95-a-month deal for "unlimited access" to the service. Since that time, complainants have found it difficult to get connected to the service. The agreement reached between the attorneys general and AOL allowed subscribers who filed complaints with either AOL or their state attorney general within 120 days of the agreement's signing to receive refunds. The refunded amount was based on the individual subscriber's plan and the amount of access they had to the service.

Also included in the agreement was a provision that AOL stop most of its advertising for an entire month. Until AOL can meet its current subscriber demand, future advertising must be qualified by a disclaimer that access to the service may be limited. In addition, AOL must give consumers a notice of cancellation methods, maintain adequate customer service representation on their 1-800 line for consumers requesting cancellation, and must accept all reasonable notices of cancellation via phone, fax, and mail.

Harshbarger moved against AOL after the online server announced that it planned to automatically convert all of its members to the new \$19.95-a-month flat rate.

Harshbarger, Bledsoe, and Bourque Warn of Forged Memorabilia

Consumers be wary of forged autographs and similar fake sports memorabilia. This warning comes after the Attorney General's office conducted an investigation and sting operation into forged sports memorabilia.

The investigation led to the discovery of dozens of apparently fake Drew Bledsoe autographs on photos, miniature and regulation-sized football helmets. These items were being distributed by a Rhode Island dealer to various merchandise dealers.

Authentic Bledsoe-autographed photos sell for up to \$35. Authentic mini-helmets sell for about \$60 and regulation-sized helmets can cost around \$125. The sting also revealed the existence of forged autographed photos of Boston Bruins defenseman Raymond Bourque. Further investigation also showed that Sportsworld, an Everett store, was allegedly selling bricks of the Boston Garden that are allegedly not authentic or not authorized for sale by the Garden's owner.

"In the last 10 years, the sports memorabilia industry has exploded. Know what you're buying. If you're not sure it's the real thing— or the business can't back it up — then don't buy it," said Harshbarger.

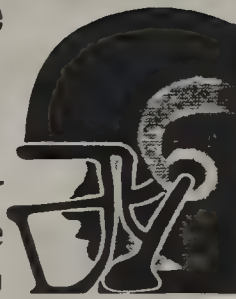
"I'm pleased that Attorney General Harshbarger and his staff have taken such efforts to stop the exploitation of Patriots fans— particularly young fans," said Bledsoe. "I hope that fans use a great deal of caution and scrutiny when purchasing autographed memorabilia in the future."

Suits have been brought against the Rhode Island dealer and the Everett store. Both can be prohibited from selling unauthentic memorabilia and fined up to \$5,000 for each violation.

Consent judgments have been filed against two Boston-area retailers, Boston Baseball Cards, Inc., of Watertown, and Andrew McCrea, of North Reading, who does business as the Inside Pitch. Both retailers have sold inauthentic sports memorabilia with supposed "certificates of authenticity" in isolated incidents. Each paid \$1,250 in penalties for the violation after entering into judgments early in the investigation.

"It bothers me that people are trying to profit in unscrupulous ways. Unfortunately, the rapid growth of the industry has attracted some bad people, and I'm pleased the Attorney General's Office is looking out for the average fan," said Bourque.

The safest means of securing an autograph is to witness the signature yourself at a signing show or an event. However, if you purchase the autograph, make sure you know the reputation of the business selling it to you and secure a written guarantee to refund your money for any reason.



Deceptive Yellow Pages Pays \$1,000,000 in Judgment

Attorney General Harshbarger announced that the publisher of deceptively advertised "yellow pages" has been ordered to pay \$1,000,000 to the state.

AmCan Enterprises, Inc., known as North American Directories, and its owner/operator must pay the penalty, plus \$26,415 in attorney's fees and restitution. The judgment follows a March 1996 court decision that the defendants' solicitation packages were illegally deceptive. Consumers, according to the decision, were led to believe that the solicitation had been sent by publishers of local yellow pages directories, such as NYNEX, and that they were renewing existing listings by responding favorably to the solicitations. Charging \$147 for listings in each of its directories, AmCan used "yellow pages" and the "walking fingers" logo to market the directories without disclosing that they are not the traditional publisher of the "white pages" or "yellow pages."

According to the defendants, 2.3 million solicitations were sent to Massachusetts businesses between 1990 and 1994. Following the receipt of more than 75 complaints from local businesses, it filed suit against AmCan in 1993.



Your New Health Insurance Rights – Revised –

The Attorney General's office has re-released the popular "Your New Health Insurance Rights" brochure. Updated to reflect health care insurance coverage changes in effect since the passage of the Kennedy/Kassebaum bill, the brochure covers questions such as "Is my employer required to provide health insurance?," "What happens to my coverage if I divorce or separate?," and "Can I keep my coverage if I lose my job?" among many other important matters.

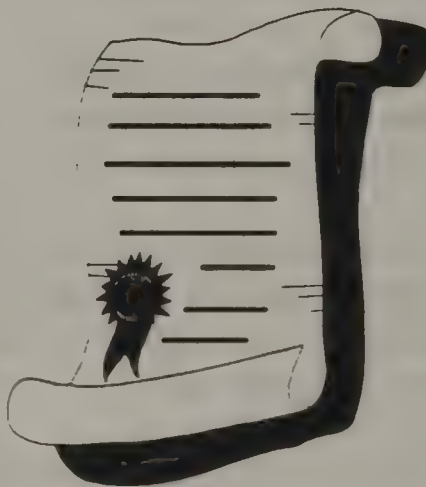
To obtain a copy, please call the Regulated Industries Division of the Office of the Attorney General at (617) 727-2200.

Prudential Settlement

The Regulated Industries Division of the Attorney General's office has recently settled a case, as part of a nationwide settlement, with the Prudential Insurance Company for alleged unfair and deceptive acts and practices in the sale of life insurance policies. The practices involved the sale of so-called "vanishing premium" policies and also involved "churning" or "twisting" of old policies into new policies. The settlement will result in restitution of approximately \$20 million to Massachusetts consumers. There are about 240,000 Massachusetts consumers who are eligible for restitution.

The Prudential is notifying each policyholder individually if they are eligible to make a claim. If you purchased a whole life policy of insurance from the Prudential at any time between January 1982 and December 1995, you are eligible and you should have received a notice from the Prudential about this settlement. If you did not, call the Prudential at 1-800-736-8913 to get a claim form.

The Attorney General's Office plans to help consumers fill out their claim forms and also explain to them what factors are relevant to their claims. We have set up a toll free hotline, to help consumers. The number is **1-888-830-MASS**.



Former Adoption Center Head Barred

The former operator of The Adoption Center, Inc. has been barred from performing adoption work for one year. The defendant also had to give up her property on Martha's Vineyard. Attorney General Harshbarger filed suit alleging a variety of misconduct which included the alteration of documents reflecting the medical backgrounds of birth mothers, false and illegal billing of adoptive parents, and making misrepresentations to adoptive couples about services and billing.

The suit alleged that the defendant diverted agency funds for her own personal use, and was paid excessive compensation in comparison to other adoption agency directors. Allegations were also made that the defendant managed the agency without the oversight of its Board of Directors.

The judgment officially bars the defendant from offering child adoption services and from receiving compensation for any adoption-related activity for one year. She may not offer regulated adoption services for an extra six months, and she may never again work for The Adoption Center.

Former clients of The Adoption Center have received agency fee refunds as a result of the judgment. Past, present, and future clients of the Adoption Center are also being given access to their files.

Operation False Alarm: Badge-related fund-raising Targeted

Consumers beware! As part of a nationwide effort to crack down on "badge-related" fund-raising fraud, Attorney General Scott Harshbarger urged consumers to exercise caution when they receive phone call solicitations allegedly on behalf of police, firefighter, or law enforcement organizations.



Coordinated by the Federal Trade Commission (FTC), "Operation False Alarm" is a nationwide sweep in which 48 states are cracking down on fraudulent law enforcement-related fund-raising through enforcement actions and public education campaigns. In recent months, Harshbarger's office has received an increasing number of inquiries and complaints concerning the telemarketing practices of professional fund-raisers. The fund-raisers claim to be acting on behalf of police, fire, and sheriff associations, as well as other law enforcement organizations. The Office and other charities regulators have teamed up with the FTC in a joint effort to eliminate a problem that diminishes the credibility of the officers and firefighters who work for our public safety.

To counter the problem here in Massachusetts, Harshbarger's office has taken several steps, including a preliminary injunction against the Disabled Peace Officers Association, Inc., which is based in Santa Ana, California. The association is barred from fund-raising in Massachusetts while a lawsuit is pending (see related story on following page).

The suit filed with the injunction alleges that the association's fund-raiser, who does business as United States Charitable Publications, engaged in unfair and deceptive fund-raising practices. Leading people to believe the solicitor was a police officer, fraudulent solicitations were allegedly made to residents of Andover, Billerica, Burlington, Chelmsford, Lowell, and North Andover, among other communities.

Law enforcement and firefighter fund-raising is typically conducted by a paid fund-raiser on behalf of a union or fraternal organization. Rarely do officers conduct telemarketing.

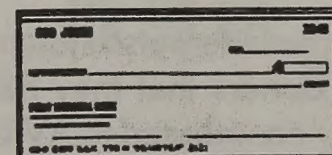
An advisory for consumers and information on legal action taken by the Attorney General's office against badge-related fraud in previous years is available from the Public Charities Division.

When Donating to a Law Enforcement Organization...

- Ask if the caller is a police officer or firefighter, or if he or she is a paid fund-raiser.
- Do not allow a courier to pick up your donation—legitimate charities have legitimate mailing addresses.
- Beware of fund-raisers who say that 100% of the donation goes to the membership organization or to the charitable cause. Professional solicitors don't work for free.
- Do not be pressured. Giving is a voluntary act!
- If you question how funds are being raised, call your local police department.
- Ask the caller how your donation will be used. If you are told that all or a portion of the donation will be used for a charitable purpose, then both the police organization and the professional fund-raiser should be registered with the Attorney General's Division of Public Charities.

Individuals with inquiries or complaints about charitable solicitations should call Harshbarger's Division of Public Charities at (617) 727-2200 or write:

Office of the Attorney General
Division of Public Charities,
Room 1413
One Ashburton Place
Boston, MA 02018-1698



Harshbarger Sues Telemarketer for Deceptively Raising Money for Veterans

Attorney General Harshbarger filed a lawsuit against American Veterans Relief Fund (AVRF) and its fund-raiser. The charity, based in Dallas, is accused of using deceptive tactics to raise money from donors on behalf of disabled veterans. Only \$650 was actually contributed to charity.

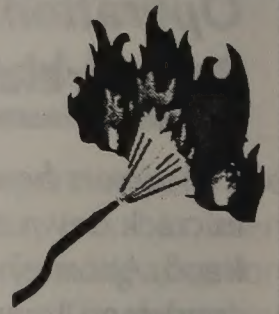
The owner of AVRF, who operates under the United States Charitable Publications (USPC), is also the fund-raiser for the Disabled Peace Officers Association, an organization that was sued by the Attorney General's Office as part of a national crack-down on badge related fund-raising fraud (Operation False Alarm). USPC telemarketers have been soliciting donations since early 1996. At least 45 communities in Massachusetts were solicited.

Callers allegedly led people to believe that disabled veterans would benefit from the money raised. In some cases, people were misled to believe that veterans in their community would benefit from the donations. Callers replaced "American" in the name of American Veterans Relief Fund with the name of the town where the potential contributor lived. Typically, local veterans did not benefit from the contributions.

Telemarketers also systematically told donors that they had previously contributed to AVRF, when that was almost never the case.

Smoke Detector Alert Issued

An alert has been issued by Attorney General Scott Harshbarger, Public Safety Secretary Kathleen M. O'Toole and Fire Marshall Stephen D. Coan urging consumers to take special care when purchasing smoke detectors.



"Taking a few minutes to educate yourself about the differences in smoke detectors can help protect your loved ones from a potential tragedy," Harshbarger said. "Studies have shown that having a smoke detector in your home reduces the risk of people dying in a fire almost by half."

The two most common types of detectors are ionization and photoelectric detectors. Both meet the requirements of the state building code and both must meet the same laboratory testing response standard. Photoelectronic detectors, are typically about \$5 more expensive and are slightly more responsive in detecting slow, smoldering fires, such as fires started by a discarded cigarette smoldering in a couch.

Ionization detectors are generally recognized as slightly more responsive in catching fast, flaming fires, such as stove-top grease fires, and are more sensitive to dark or black smoke. About 90% of all smoke detectors are ionization detectors. Combination detectors have been developed so both kinds of fires can be detected. Cooking is the leading cause of all residential fires.

By law, smoke detectors in one and two family homes must be installed on each level of the home including at the base of stairways and outside all bedrooms. Maintenance is also critical. There are now more homes with defective detectors than there are homes without smoke detectors. Consumers should press the test button on the detector once in a month to insure that the detector is in working order. Battery operated detectors should have their batteries replaced at least once a year.

In the Disabled Peace Officers case, businesses were asked to purchase ads in a law enforcement publication. People were told, by a solicitor who claimed to be an officer, that the money would go to benefit local police or aid injured officers and their families. This was not the case.

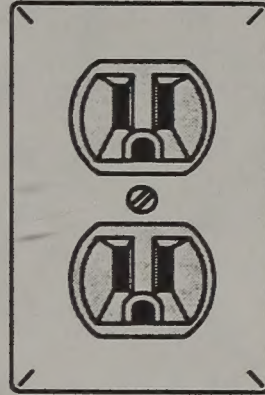
According to the affidavits filed with the complaint, prospective

donors were not informed that the solicitation was being done on behalf of a California charity, not one in Massachusetts.

The Attorney General is seeking monetary relief, including a court order prohibiting the fund-raiser and the charity from deceptively soliciting in Massachusetts.

Consumers First – The A.G.'s Plan for Competitive Utilities

Three Massachusetts electricity suppliers have reached an agreement with Attorney General Scott Harshbarger and Energy Commissioner David O'Connor. Boston Edison, Eastern Utilities Associates, and Massachusetts Electric have agreed to implement Harshbarger's "Consumers First" restructuring plan to bring market competition, customer choice, and consumer savings to Massachusetts' homeowners and businesses.



Under the plan, all Massachusetts residential and business consumers of the state's investor-owned utilities would be able to choose their electricity supplier on January 1, 1998; would require that customers be given an option for a minimum of 10% savings on their monthly electric bills; and would create a national model for reducing air pollution from older power plants. This would result in a savings of at least \$3 billion statewide in the first seven years of the transition to a competitive electric industry.

The three parties, Boston Edison, Eastern Utilities and Massachusetts Electric will work with the Department of Public Utilities and the Legislature to bring the economic benefits of electric industry competition to ratepayers.

Boston Edison serves 661,000 customers in 40 cities and towns, including Boston and Framingham. Eastern Utilities Associates is the parent company of Eastern Edison serving 180,000 customers in 20 communities, including Brockton. Massachusetts Electric is a subsidiary of the New England Electric System and serves 950,000 customers in 150 cities and towns.

According to the agreement reached, 1.8 million utility customers in 210 Massachusetts cities and towns could be eligible for the benefits provided under the "Consumers First" framework. Massachusetts Electric has won final approval from the Department of Public Utilities. Approval for both Boston Edison and Eastern Utilities is still pending. All three must be approved by the Federal Energy Regulatory Commission.

What To Expect from the Consumers First Agreement

- 1) A fixed rate cut of at least 10% for business and residential customers.
- 2) A provision allowing consumers; as well as small businesses, a one-time option to leave the competitive market and return to the 10% "Standard Offer" rate cut.
- 3) National model environmental provisions to reduce polluting emissions and require that renewable energy options, and efficiency and conservation programs be maintained.
- 4) The divestiture of all non-nuclear generating plants in a way that could lower consumer bills more than the 10%, while allowing the utilities to recover so-called "stranded costs."
- 5) Protections for low-income consumers, utility employees impacted by the transition to a competitive market, and communities with power plants.

